

Release Immediate

ECTA URGES CLARITY FROM BNetzA ON HIGHER-SPEED NETWORK REGULATION

Momentum in growth of German broadband services is dependent on open markets

Brussels, 01.02.07 – ECTA's Broadband Scorecard for Q3 2006, released today, shows that Germany was a rare bright spot in a report which highlighted a significant slow down in Broadband uptake across Europe, falling from 23% to only 14% growth in the half year period before September 2006. The rapid growth in the take-up of broadband services in Germany coincides with altnets taking an increasing market share, reducing Deutsche Telekom's share in broadband services to below 50% Germany for the first time.

The European Competitive Telecommunications Association (ECTA) has, however, warned that Germany's broadband growth could be put at risk if the President approves a controversial proposal which would exclude high-speed networks from regulation.

Steen Clausen, Managing Director of ECTA said, "Time and again we have seen that protecting incumbents robs consumers of choice and value – and this is as true for higher speed networks as for broadband today. We urge BNetzA to clarify quickly the current confusing legal framework in Germany, thereby avoid endless legal battles, and more importantly for the consumer, keeping the momentum in growth of broadband services. However, if the German Government insists on rejecting open markets, we will be looking to the European Commission to intervene. The German President is now in a position to ensure that high-speed networks are not excluded from regulation, which would prevent what would otherwise result in a severe lack of certainty in higher speed networks business."

The Q3 Broadband Scorecard also shows that growth has stalled in a number of countries, including Denmark and Belgium, which experienced a paltry 3% growth in broadband penetration, and France, which has fallen to 8th place in Europe, well behind the UK. It is perhaps no coincidence that incumbents clawed back market share in

countries such as Denmark and France, and also control more than 50% of broadband lines in Spain, Italy, Luxembourg, Greece, Finland and Belgium.

Clausen said, “We are pleased to see that Germany is starting to show some signs of progress, as recent statements by the regulator have stimulated more open markets and contributed to a surge in attractive products and services. The UK has also benefited in these six months from an inflow of innovative competitive offers.”

The link between increased power for incumbents and stagnation has been confirmed by studies such as SPC Network ‘[Broadband Markets in the EU: the importance of dynamic competition](#)’, which concluded that Europe could gain an extra 20 million broadband lines by opening markets further to competition.

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